

<b>STATE OF NORTH CAROLINA</b>  <b>OFFICE OF INFORMATION TECHNOLOGY SERVICES</b>	<b>REQUEST FOR QUALIFIED VENDORS</b> <b>NO. ITS-005137</b>	
	Bids will be publicly opened: August 9, 2010 at 2:00pm Eastern Standard Time	
	Contract Type: Open Market	
<b>Refer <u>ALL</u> Inquiries to:</b> Leroy Kodak Telephone No. 919-754-6665	Date Issued: July 21, 2010 Commodity Number: 918 Commodity: Professional Assessment Services	
E-Mail: leroy.kodak@nc.gov	Using Agency Name: Information Technology Services	
<b>(See page 2 for delivery instructions)</b>	Agency Requisition No. N/A	

**SOLICITATION OF PROPOSALS:** The State seeks proposals from Vendors qualified to provide the Services described in this Request for Qualified Vendors (RFQV). All proposals and responses received shall be treated as information to qualify responding parties for a subsequent solicitation and contract award. The State's acceptance of any proposal must be demonstrated by execution of the acceptance found below. Acceptance shall not create a contract on the basis of this RFQV, but shall qualify the Vendor to receive a subsequent solicitation. Proposals shall not create any contract, nor shall such proposals become part of any future contract with the State.

**EXECUTION:** In compliance with this RFQV, and subject to all the conditions herein, the undersigned submits its proposal, within the time specified herein. By executing this proposal, I certify that this proposal is submitted competitively and without collusion.

**Failure to execute/sign proposal prior to submittal shall render proposal invalid. Late proposals are not acceptable.**

BIDDER:		
STREET ADDRESS:	P.O. BOX:	ZIP:
CITY & STATE & ZIP:	TELEPHONE NUMBER:	TOLL FREE TEL. NO
PRINT NAME & TITLE OF PERSON SIGNING:		FAX NUMBER:
AUTHORIZED SIGNATURE:	DATE:	E-MAIL:

**ACCEPTANCE OF PROPOSAL:** If the proposal is accepted to qualify the bidder for a subsequent Request for Proposal ("RFP"), an authorized representative of ITS shall affix their signature hereto. A copy of this acceptance will be forwarded to the successful Vendor(s).

<b><u>FOR ITS USE ONLY</u></b> Proposal accepted this ____ day of _____, 2010, as indicated on attached certification, by _____ (Authorized representative of ITS).
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**USING AGENCY:**

Information Technology Services  
Raleigh, North Carolina

**DELIVERY INSTRUCTIONS:** Vendor must deliver one (1) **signed original** and six (6) **copies** of the Proposal to Issuing Agency in a sealed package with Company Name and RFQV Number clearly marked on the front. Vendor must also submit one (1) **electronic copy** of its proposal on read-only CD/DVD(s). The files on the discs should not be password-protected and should be capable of being copied to other media.

DELIVERED BY US POSTAL SERVICE	DELIVERED BY ANY OTHER MEANS
PROPOSAL NUMBER: ITS-005137 Statewide IT Procurement Office Attn: Leroy Kodak, Contract Manager 333 E. Six Forks Road, 3 <sup>rd</sup> Floor Raleigh, NC 27609	PROPOSAL NUMBER: ITS-005137 Statewide IT Procurement Office Attn: Leroy Kodak, Contract Manager 333 E. Six Forks Road, 3 <sup>rd</sup> Floor Raleigh, NC 27609

Sealed Proposals, subject to the conditions made a part hereof, will be received at 333 E Six Forks Road, Raleigh, NC on August 9, 2010 until 2:00pm Eastern Standard Time on the day of opening and then opened. Proposals for this RFQV must be submitted in a sealed package with the Execution of Proposal signed and dated by an official authorized to bind the Vendor's firm. Failure to return a signed execution of proposal shall result in disqualification. All proposals must comply with Section VI, Proposal Content and Organization.

Proposals will not be accepted by electronic means. This RFQV is available electronically at <http://www.ips.state.nc.us/ips/pubmain.asp>. All inquiries regarding the RFQV requirements are to be addressed to the contact person listed on Page One.

Written questions concerning this RFQV will be received until July 27, 2010 at 2:00pm Eastern Standard Time. They must be sent via e-mail to: [leroy.kodak@nc.gov](mailto:leroy.kodak@nc.gov) or faxed to (919) 715-8549. Please insert "Questions ITS-005137" as the subject for the email. The questions are to be submitted in the following format:

Citation	Vendor Question	The State's Response
Proposal Section, Page Number		

The State will prepare responses to all written questions submitted, and post an addendum by July 30, 2010 to the Interactive Purchasing System (IPS) <http://www.ips.state.nc.us/ips/pubmain.asp>. Oral answers are not binding on the State.

Vendor contact regarding this RFQV with anyone other than Leroy Kodak may be grounds for rejection of said Vendor's proposal.

**Addendum to RFQV:** If a pre-proposal conference is held or written questions are received prior to the submission date, an addendum comprising questions submitted and responses to such questions, or any additional terms deemed necessary by the State will be posted to the Interactive Purchasing System (IPS), <http://www.ips.state.nc.us/ips/deptbids.asp>, and shall become an Addendum to this RFQV. Vendors' questions posed orally at any pre-proposal conference must be reduced to writing by the Vendor and provided to the Purchasing Officer as directed by said Officer.

Critical updated information may be included in these Addenda. It is important that all Vendors bidding on this proposal periodically check the State website for any and all Addenda that may be issued prior to the proposal opening date.

**Basis for Rejection.** Pursuant to 9 NCAC 06B.0401, the State reserves the right to reject any and all Proposals, in whole or in part; by deeming the proposal unsatisfactory as to quality or quantity, delivery, price or service offered; non-compliance with the requirements or intent of this solicitation; lack of competitiveness; error(s) in specifications or indications that revision would be advantageous to the State; cancellation or other changes in the intended project, or other determination that the proposed requirement is no longer needed; limitation or lack of available funds; circumstances that prevent determination of the best proposal; or any other determination that rejection would be in the best interest of the State.

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**NOTICE TO VENDORS:** The State objects to and will not be required to evaluate or consider any additional terms and conditions submitted with a Bidder's response. This applies to any language appearing in or attached to the document as part of the Bidder's response. By execution and delivery of this Request for Qualified Vendors and response(s), the Bidder agrees that any additional terms and conditions, whether submitted purposely or inadvertently, shall have no force or effect.

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**Late Proposals.** Regardless of cause, late proposals will not be accepted and will automatically be disqualified from further consideration. It shall be the Vendor's sole risk to ensure delivery at the designated office by the designated time. Late proposals will not be opened and may be returned to the Vendor at the expense of the Vendor or destroyed if requested.

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## **Section I. Introduction**

### **1.0 Overview**

The State of North Carolina Office of Information Technology Services (ITS) plans to initiate the IT Infrastructure Study & Assessment (INSA) Project and is preparing a Request for Proposals (INSA Services RFP) that will be issued in the near future in support of this project. In support of the INSA Services RFP effort, ITS is issuing this Request for Qualified Vendors (RFQV). Defined terms used in this RFQV are set forth in Section II.B General Conditions for Proposals and shall be governed by the terms and conditions contained herein.

By issuing this RFQV, ITS intends to prequalify prospective Vendors (also referred to as “Bidders”) who submit the information requested within this document for submitting proposals in response to the INSA Services RFP for the INSA project.

The INSA Services RFP will solicit proposals from qualified Vendors to perform an assessment of ITS and Executive Agency IT Infrastructure services and provide sourcing advisory services. The following is a list of the Executive Agencies that will be involved:

Office of Information Technology Services  
Department of Administration  
Department of Commerce  
Department of Correction  
Department of Crime Control and Public Safety  
Department of Cultural Resources  
Department of Environment and Natural Resources  
Department of Health and Human Services  
Department of Juvenile Justice and Delinquency Prevention  
Department of Revenue  
Department of Transportation  
Office of the State Chief Information Officer  
Office of State Personnel  
Employment Security Commission  
State Board of Education  
Office of State Budget and Management

The conclusions of such assessment and services may identify IT Infrastructure services for potential outsourcing. If the State elects to issue subsequent solicitations for purposes of sourcing management or outsourcing, the Vendor selected pursuant to the INSA Services RFP, or similar RFP, shall be disqualified from bidding on those later solicitations.

### **1.1 RFQV Process**

The following conditions apply to this RFQV process:

- 1.1.1 The process set forth in this RFQV will not result in any predetermination by ITS, nor shall this RFQV be construed as a determination of any kind that is binding on ITS. Further, this RFQV shall not be construed to mean that Bidders are actually capable of performing the work that will be the subject of the RFP. Rather, the criteria set forth herein is intended only to identify prospective Vendors based on their prior experience in providing similar or related services to potentially undertake a project of this size and type.

- 1.1.2 This RFQV is intended solely to prequalify Bidders that meet the criteria set forth herein as the only parties eligible to respond to the INSA Services RFP. ITS' ultimate determination regarding the capability of any prequalified prospective Vendor to perform the work shall be reserved solely and exclusively to ITS' evaluation of the responses to the RFP, in which ITS may reject any and all Vendors.
- 1.1.3 Failure or inability to obtain prequalification under this RFQV does not disqualify any provider from offering its services as a subcontractor to qualified Bidders to provide needed services pursuant to this project.
- 1.1.4 This RFQV consists solely of this Request For Qualified Vendors, Appendices A through C hereto and any written addenda to this RFQV issued by the Contract Manager.
- 1.1.5 No other information in any form shall be deemed part of this RFQV. Each Bidder, by filing a Proposal, acknowledges and agrees to the foregoing and certifies that in responding to this RFQV or preparing its Proposal it has not relied upon any information other than that which is contained in this Request For Qualified Vendors, Appendices A through C hereto and any written addendum to this RFQV issued by the ITS Contract Manager.
- 1.1.6 This RFQV does not obligate ITS to establish a list of prequalified prospective Vendors, issue any RFP, or award a contract to anyone, including any Bidder. ITS reserves the right to, amend, modify or cancel this RFQV without prior notice, at any time, at its sole discretion.
- 1.1.7 ITS shall not be liable for any expenses incurred by any party other than ITS in connection with this RFQV.
- 1.1.8 The dates, times, and sequence of events related to this RFQV and the RFP shall ultimately be determined by ITS.
- 1.1.9 Bidders may not discuss ITS' requirements, preparation of Proposals, proposals in response to the RFQV, or technical questions with any ITS or State personnel other than ITS' Contract Manager. Violation of the foregoing may result in the disqualification of your organization from participation in the RFQV or the RFP process.
- 1.1.10 This RFQV and any activity pursuant to this RFQV by any party are governed by all applicable laws including, without limitation, State and Federal antitrust laws.

## **1.2 Proposal Guidelines**

- 1.2.1 Each Proposal shall be prepared simply and economically, providing straightforward, concise delineation of Bidder's capabilities to satisfy the requirements of this RFQV. Fancy bindings, colored displays, and promotional materials are not required. Emphasis on each Proposal must be on completeness and clarity of content. To expedite the evaluation of Proposals, it is essential that Bidder follow the format and instructions contained herein.
- 1.2.2 See Appendices B and C for response construct related expectations, details, and preparation instructions. Any Proposal received after the due date and time will be rejected.

## **Section II. Bidding Information**

### **A. Instructions to Vendors**

Additional acronyms, definitions and abbreviations may be included in the text of the RFQV.

- 1) Proposals submitted electronically, or via facsimile (FAX) machine will not be accepted.
- 2) **EXECUTION:** Failure to sign under EXECUTION section will render proposal invalid.
- 3) **FAILURE TO MEET PROPOSAL REQUIREMENTS:** While it is not anticipated that a qualified Vendor will fail to meet the proposal requirements, if such should occur, the right is reserved to further evaluate the responses to this RFQV and then to recommend another Vendor in the best interest of the State.
- 4) **MISCELLANEOUS:** Masculine pronouns shall be read to include feminine pronouns and the singular of any word or phrase shall be read to include the plural and vice versa.
- 5) **VENDOR REGISTRATION AND SOLICITATION NOTIFICATION SYSTEM:** Vendor Link NC allows Vendors to electronically register with the State to receive electronic notification of current procurement opportunities for goods and services available on the Interactive Purchasing System at the following web site: <https://www.ips.state.nc.us/IPS/Vendor/Vndrmess.asp>
- 6) **ORGANIZATION:** Vendors are directed to carefully review Section VI herein and fully comply with the content and organizational requirements therein.
- 7) **E-PROCUREMENT: This is not an e-procurement solicitation.** See paragraphs #47 and 48 of the attached Information Technology Terms and Conditions for Goods and Related Services. The Terms and Conditions made part of this solicitation contain language necessary for the implementation of North Carolina's statewide e-procurement initiative. It is the Vendor's responsibility to read these terms and conditions carefully and to consider them in preparing the proposal. By signature, the Vendor acknowledges acceptance of all terms and conditions including those related to e-procurement.
  - a. General information on the e-procurement service can be found at <http://eprocurement.nc.gov/>
  - b. Within two days after notification of award of prequalification, vendor must register in NC E-Procurement @ Your Service at the following web site: <http://eprocurement.nc.gov/Vendor.html>
  - c. As of the RFQV submittal date, the Vendor must be current on all e-Procurement fees. If the Vendor is not current on all e-Procurement fees, the State may disqualify the Vendor from participation in this RFQV.

## B. General Conditions for Proposals

Definitions, Acronyms and Abbreviations. Generally, see 9 NCAC 06A.0102 for definitions. The following are additional defined terms:

- a) **The State:** Is the State of North Carolina, and its Agencies.
- b) **ITS:** Office of Information Technology Services.
- c) **Goods:** Includes intangibles such as computer software; provided, however that this definition does not modify the definition of "goods" in the context of N.C.G.S. §25-2-105 (UCC definition of goods).
- b) **Vendor:** Company, firm, corporation, partnership, individual, etc., submitting a response to a solicitation.
- c) **Open Market Contract:** A contract for the purchase of goods or services not covered by a term, technical, or convenience contract.
- d) **24x7:** A statement of availability of systems, communications, and/or supporting resources every hour (24) of each day (7 days weekly) throughout every year for periods specified herein. Where reasonable downtime is accepted, it will be stated herein. Otherwise, 24x7 implies NO loss of availability of systems, communications, and/or supporting resources.
- e) **Reasonable, Necessary or Proper:** as used herein shall be interpreted solely by the State of North Carolina.
- f) **RFP:** Request for Proposal
- g) **Affiliate:** means an entity in which the Parent of the Bidder owns more than fifty percent of the voting stock, or an entity in which a group of principal owners which own more than fifty percent of the Bidder also own more than fifty percent of the voting stock.

- h) **Contract:** means any agreement between two unrelated legal entities under which Bidder, acting as a Prime Contractor, provided data center relocation services of the type and nature described in the relevant Question.
  - i) **Parent:** means the entity which owns more than fifty percent of the voting stock of Bidder. In the case of an acquisition, "Parent" means the legal entity that acquired the Bidder.
  - j) **Prime Contractor:** means the single legal entity of a group of legal entities that are legally associated for the purpose of delivering Services under a contract that executes the contract with ITS and that is the single point of contact with ITS with respect to the Services being delivered.
  - k) **Principal Owner:** means the entity which holds a ten percent or greater ownership interest in another entity.
  - l) **IT Infrastructure Outsourcing:** or "IT Infrastructure Services" in this context, includes hosting/data center services and network/telecommunications services but does not include application sourcing or business process sourcing.
  - m) **Hosting/Data Center Services:** means all services that are industry accepted data center infrastructure services including multi-platform, physical/virtual environment provisioning and hosting (i.e. z/OS, VMWare, UNIX, Linux, and Windows), operating systems, data management and storage, tape and backup services, integration services, disaster recovery services, etc.
  - n) **Network/Telecommunications Services:** means all services that are industry accepted telecommunications infrastructure services including LAN/MAN/WAN network communications services, voice services, video services, wireless services, etc.
  - o) **Fee-for-Service:** A business model where an internal or external IT service provider has established billing rates for one or more IT services that are used/consumed by customers
- 2) **Read and Review.** It shall be the Vendor's responsibility to read this entire document, review all enclosures and attachments, and comply with all requirements and the State's intent as specified herein. If a Vendor discovers an inconsistency, error or omission in this solicitation, the Vendor should request a clarification from the State's contact person listed on the front page of the solicitation. Questions and clarifications must be submitted in writing and may be submitted by personal delivery, letter, fax or e-mail within the time period identified hereinabove.
  - 3) **Vendor Responsibility.** The Vendor(s) will be responsible for investigating and providing it's most effective and efficient response to this RFQV. Vendors are encouraged to present explanations of benefits and merits of their proposals together with any accompanying services, maintenance, warranties, value added services or other criteria identified herein.
  - 4) **Oral Explanations.** The State will not be bound by oral explanations or instructions given at any time during the bidding process or after selection of qualified Vendors. Vendor contact regarding this RFQV with anyone other than the procurement contract manager named on Page 2 above may be grounds for rejection of said Vendor's proposal. Agency contact regarding this RFQV with any Vendor may be grounds for cancellation of this RFQV.
  - 5) **Insufficiency of References to Other Data.** **Only information that is received in response to this RFQV will be evaluated.** Reference to information previously submitted or Internet Website Addresses (URLs) will not suffice as a response to this solicitation.
  - 6) **Conflict of Interest.** Applicable standards may include: N.C.G.S. §§ 147-33.100, 14-234, 133-32. The Vendor shall not knowingly employ any personnel who are, or have been, employed by a Vendor also in the employ of the State and who are providing services involving, or similar to, the scope and nature of this solicitation or the resulting contract.
  - 7) **Contract Term.** This RFQV shall not result in a contract.
  - 8) **Recycling and Source Reduction.** It is the policy of this State to encourage and promote the purchase of products with recycled content to the extent economically practicable, and to purchase items which



are reusable, refillable, repairable, more durable, and less toxic to the extent that the purchase or use is practicable and cost-effective. We also encourage and promote using minimal packaging and the use of recycled/recyclable products in the packaging of goods purchased. However, no sacrifice in quality of packaging will be acceptable. The Vendor remains responsible for providing packaging that will protect the commodity and contain it for its intended use. Vendors are strongly urged to bring to the attention of the purchasers at the Statewide IT Procurement Office those products or packaging they offer which have recycled content and that are recyclable.

- 9) Historically Underutilized Businesses. Pursuant to General Statute 143-48, 143-128.4 and Executive Order #13, the State invites and encourages participation in this procurement process by businesses owned by minorities, women, disabled, disabled business enterprises and non-profit work centers for the blind and severely disabled. Additional information may be found at: <http://www.doa.nc.gov/hub/>
- 10) Clarifications/Interpretations. Any and all amendments or revisions to this document shall be made by written addendum from the IT Procurement Office. Vendors may call the purchasing agent listed on the first page of this document to obtain a verbal status of the RFQV process.
- 11) Rights Reserved. Issuance of this RFQV in no way constitutes a commitment by the State of North Carolina, or the procuring Agency, to award a contract. Upon determining that any of the following would be in its best interests, the State may:
  - a) waive any formality;
  - b) amend the solicitation;
  - c) cancel or terminate this RFQV;
  - d) reject any or all proposals received in response to this document;
  - e) waive any undesirable, inconsequential, or inconsistent provisions of this document, which would not have significant impact on any proposal;
  - f) if the response to this solicitation demonstrate a lack of competition, negotiate directly with one or more Vendors; or
  - g) if all responses are deficient, determine whether Wavier of Competition criteria may be satisfied, and if so, negotiate with one or more Vendors.
- 12) Alternate Bids. Reserved.
- 13) Co-Vendors. Vendors may submit proposals as partnerships or other business entities. Such partners or other "co-Vendors", if any, shall disclose their relationship fully to the State. Any requirements for references, financial statements or similar reference materials shall mean **all** such partners or co-Vendors.
- 14) Submitting a Proposal. Each Vendor submitting a proposal warrants and represents that:
  - a) The proposal is based upon an understanding of the specifications and requirements described in this RFQV.
  - b) Costs for developing and delivering responses to this RFQV and any subsequent presentations of the proposal as requested by the State are entirely the responsibility of the Vendor. The State is not liable for any expense incurred by the Vendors in the preparation and presentation of their proposals.
- 15) All materials submitted in response to this RFQV become the property of the State and are to be appended to any formal documentation, which would further define or expand any contractual relationship between the State and Vendor resulting from this RFQV process.
- 16) A proposal may not be unilaterally modified by the Vendor.

## **C. Evaluation Process**

- 1) "Best Value" procurement methods are authorized by N.C.G.S. §143-135.9. The intent of "Best Value" Information Technology procurement is to enable Vendors to offer and the Agency to select the most appropriate solution to meet the business objectives defined in the solicitation and to keep all parties focused on the desired outcome of a procurement.

- 2) Source selection: A trade-off/ranking method will be utilized to allow the State to select Vendors providing the best proposal(s), and recognizing that Best Value principles in the subsequently issued RFP may result in selection of Vendors other than the Vendor submitting the highest technically qualified proposal.
- a) Evaluation Process Explanation. State Agency employees will evaluate all proposals. All proposals will be initially classified as being responsive or non-responsive. If a proposal is found non-responsive, it will not be considered further. All responsive proposals will be evaluated based on stated evaluation criteria. Any references in an answer to another location in the RFQV materials or Proposal shall have specific page numbers and sections stated in the reference. Each Proposal will be evaluated based on the information submitted therein, plus any clarifications; plus any other relevant sources consulted during the Evaluation Committee's evaluation process. See Appendices B and C for response construct related expectations, details, forms and preparation instructions that should be followed by those prospective Prime Vendors seeking to be prequalified.
  - b) To be eligible for consideration, a Vendor must meet the intent of all requirements. Compliance with the intent of all requirements will be determined by the State. Responses that do not meet the full intent of all requirements listed in this RFQV may be found inferior during the evaluation process or may be deemed non-responsive. Further, a serious deficiency in the response to any one requirement may be grounds for rejection regardless of overall score.
  - c) Vendors are advised that the State is not obligated to ask for, or accept after the closing date for receipt of proposal, data that is essential for a complete and thorough evaluation of the proposal.
- 3) Evaluation.
- a) A Request for Qualified Vendors Evaluation Committee ("Evaluation Committee") appointed by ITS will examine all Proposals that are properly submitted in accordance with the requirements of this RFQV. The Committee shall make the final determination of Bidders that are prequalified prospective Vendors in accordance with the criteria set forth herein. Proposals will be evaluated on a pass/fail basis. The Proposals will be categorized as: (1) acceptable (meets ITS' requirements and is a prequalified prospective vendor); or (2) unacceptable (fails to meet ITS' requirements and is not a prequalified prospective vendor).
  - b) In the event that more than three (3) Bidders meet the pass/fail criteria, ITS reserves the right to determine a competitive range of the Bidders meeting the pass/fail criteria; and to then select the three (3) Bidders whose projects involved products and services that were the most similar (or larger) in terms of technical scope and complexity to ITS' existing products and services. The Evaluation Committee will utilize their collective business judgment to determine the relative importance of experience to one another within the same category. Vendors who respond to this RFQV are encouraged to review and consider the current portfolio of IT Infrastructure Services currently being offered by ITS on the ITS Service Catalog web site at: <http://www.its.state.nc.us/ServiceCatalog/Index.asp>.
  - c) Proposals will be evaluated in accordance with this RFQV and Best Value procurement practices as provided by GS §143-135.9, 9 NCAC 6A and 6B.0302. A tradeoff methodology will be used to evaluate bids based on the criteria set forth below. These criteria are stated in relative order of importance. The State will evaluate bids based upon each Vendor's response to Appendix C together with any supplemental information provided by Vendors or collected by ITS:
    - i) The performance capabilities of the Vendors based upon experience, qualifications, and credentials of each Vendor. This may include the general reputation of the Vendor,
    - ii) Past performance on similar Projects,
    - iii) The overall quality of a Vendor's proposal relative to those offered by other prospective Vendors,
    - iv) The Vendor's overall capability to provide service, and
    - v) Financial stability based on a review of Vendor's financial information.

- d) The evaluation committee may request clarifications, an interview with or presentation from any or all Vendors as allowed by 9 NCAC 06B.0307. However, the State may refuse to accept, in full or partially, the response to a clarification request given by any Vendor. Vendors are cautioned that the evaluators are not required to request clarifications nor have any communications or negotiations; therefore, all proposals should be complete.
- e) The Evaluation Committee will deem a Bidder qualified, only if the Bidder's Proposal satisfactorily meets the following:
  - i) Includes a signed copy of Appendix A - Certification of Compliance With Executive Order # 24
  - ii) Answers questions (1) through (6) using the Proposal Questionnaire Form in Section VIII, Appendix C and;
    - (1) Provide documentation sufficient to evidence all responses using the "supporting information" document template contained in Section VIII, Appendix C
    - (2) Otherwise satisfactorily complies with the terms of this RFQV, as determined by ITS in its sole discretion.
- f) ITS shall rely on the information provided by Bidder for evaluations, and may gather information from outside sources including project references, to facilitate completing evaluations.
- g) ITS reserves the right to request clarifications from any Bidder in ITS' sole discretion. All requests for clarifications by ITS, and all responses thereto submitted by the Bidder, shall be in writing. The Evaluation Committee will be the arbiter of whether Bidder's affirmative responses are accurate and acceptable.
- h) A list of Prospective Vendors who are prequalified shall be posted to the Interactive Purchasing System (IPS) website at: <http://www.ips.state.nc.us/ips/deptbids.asp>.
- i) Due to the short time frame associated with this RFQV, all information provided must be readily verifiable. ITS may, but is not obligated to, use only the contact information provided in the Proposal.

4) Award Of Contract. Reserved.

- 5) ITS has implemented links to the Interactive Purchasing System (IPS) that allow the public to retrieve proposal award information electronically from our Internet web site: <http://www.ips.state.nc.us/ips/pubmain.asp>. Click on the IPS BIDS icon, click on Search for BID, enter the Agency prefix-proposal number (ITS-005137), and then search. This information may not be available for several weeks dependant upon the complexity of the acquisition and the length of time to complete the evaluation process.
- 6) Protest Procedures: Protests of awards exceeding \$25,000 in value must be submitted to the issuing Agency at the address given on the first page of this document. Protests must be received in this office within 15 calendar days from the date of the contract award and provide specific reasons and any supporting documentation for the protest. **All protests will be governed by Title 9, Office of Information Technology Services, Subchapter 06B Sections .1102 - .1121.**

7) The Contract Manager will make every effort to adhere to the following schedule:

Event	Date
Release of RFQV to the State IPS web site <a href="https://www.ips.state.nc.us/ips/pubmain.asp">https://www.ips.state.nc.us/ips/pubmain.asp</a>	July 21, 2010
Deadline for Vendor Questions	July 27, 2010
Responses to Written Questions posted to the IPS web site <a href="https://www.ips.state.nc.us/ips/pubmain.asp">https://www.ips.state.nc.us/ips/pubmain.asp</a>	July 30, 2010
RFQV Opening Date	August 9, 2010
Prequalified Vendors posted to the State IPS web site <a href="http://www.ips.state.nc.us/ips/deptbids.asp">http://www.ips.state.nc.us/ips/deptbids.asp</a>	August 20, 2010

### **Section III. Specifications**

- 1) The Vendor must have a minimum of three (3) years of experience, acting as a prime contractor, conducting baseline development and sourcing assessment analysis for IT Infrastructure Outsourcing projects that include both hosting/data center services and network/telecommunications services. Such projects must have involved products and services that were the similar (or larger) in terms of technical scope and complexity to ITS' existing products and services.
- 2) The Vendor must provide references and summaries for three (3) engagements in support of the responses to questions # 3 through # 6 in the Proposal Questionnaire in Section VIII, Appendix C. The three (3) engagements must include some combination of hosting/data center services and network/telecommunications services – all three (3) projects cannot be all hosting/data center or all network/telecommunications projects.
- 3) The Vendor must submit a reference and summary for at least one (1) failed or challenged project in support of the response to question # 2 in the Proposal Questionnaire in Section VIII, Appendix C.
- 4) The Vendor must provide evidence of financial stability with its response to this RFQV as further described herein below. As used herein, Financial Statements shall exclude tax returns and compiled statements
  - a. For a publicly traded company, Financial Statements for the past three (3) fiscal years, including at a minimum, income statements, balance sheets, and statement of changes in financial position or cash flows. If three (3) years of financial statements are not available, this information shall be provided to the fullest extent possible, but not less than one year. If less than 3 years, vendor must explain the reason why they are not available.
  - b. For a privately held company, when certified audited financial statements are not prepared: a written statement from the company's certified public accountant stating the financial condition, debt-to-asset ratio for the past three (3) years and any pending actions that may affect the company's financial condition.
  - c. The State may, in its sole discretion, accept evidence of financial stability other than Financial Statements for the purpose of evaluating Vendors' responses to this RFQV. The State reserves the right to determine whether the substitute information meets the requirements for Financial Information sufficiently to allow the State to evaluate the sufficiency of financial resources and the ability of the business to sustain performance.

## Section IV. Cost Proposal

This proposal is to prequalify prospective Vendors only, so a cost proposal is not appropriate at this time.

## Section V. Other Requirements and Special Terms

- 1) VENDOR UTILIZATION OF WORKERS OUTSIDE U.S.: In accordance with NC General Statute 147-33.97, the Vendor must detail in their response, the manner in which it intends to utilize resources or workers. The State of North Carolina will evaluate the additional risks, costs, and other factors associated with such utilization prior to making an award for any such Vendor's proposal. The Vendor shall provide the following for any proposal or actual utilization or contract performance:
- a) The location of work performed under a state contract by the Vendor, any subcontractors, employees, or other persons performing the contract and whether any of this work will be performed outside the United States
  - b) The corporate structure and location of corporate employees and activities of the Vendors, its affiliates or any other subcontractors
  - c) Notice of the relocation of the Vendor, employees of the Vendor, subcontractors of the Vendor, or other persons performing services under a state contract outside of the United States
  - d) Any Vendor or subcontractor providing call or contact center services to the State of North Carolina shall disclose to inbound callers the location from which the call or contact center services are being provided

Will any work under this contract be performed outside the United States?

Where will services be performed: \_\_\_\_\_ YES \_\_\_\_\_ NO \_\_\_\_\_

- 2) Vendors are encouraged to review the State's standard terms and conditions available at the ITS procurement website, <http://www.its.state.nc.us/ITProcurement/>, and to provide any comments regarding such terms. Comments, if any, may be directed to terms applicable to the INSA Services RFP. These Comments will not be considered during evaluation of proposals to select qualified Vendors.
- 3) Disclosure of Litigation:
- a) The Vendor shall notify the State in its proposal, if it, or any of its subcontractors, or their officers, directors, or key personnel have ever been convicted of a felony, or any crime involving moral turpitude, including, but not limited to fraud, misappropriation or deception.
  - b) Vendor shall notify the State in its proposal, and promptly thereafter as otherwise applicable, of any civil litigation, arbitration, proceeding, or judgments against it or its subcontractors during the three (3) years preceding its proposal that involve (1) services or related goods similar to those provided pursuant to any contract and that involve a claim that may affect the viability or financial stability of the Vendor, or (2) a claim or written allegation of fraud by the Vendor or any subcontractor hereunder, arising out of their business activities, or (3) a claim or written allegation that the Vendor or any subcontractor hereunder violated any federal, state or local statute, regulation or ordinance. Multiple lawsuits and or judgments against the Vendor or subcontractor shall be disclosed to the State to the extent they affect the financial solvency and integrity of the Vendor or subcontractor.
  - c) All notices under subsection A and B herein shall be provided in writing to the State within thirty (30) calendar days after the Vendor learns about any such criminal or civil matters; unless such matters are governed by the ITS General Terms and Conditions annexed to the solicitation. Details of settlements which are prevented from disclosure by the terms of the settlement shall be annotated as such. Vendor may rely on good faith certifications of its subcontractors addressing the foregoing, which certifications shall be available for inspection at the option of the State.
- 4) Criminal Conviction In the event the Vendor, an officer of the Vendor, or an owner of a 25% or greater share of the Vendor, is convicted of a criminal offense incident to the application for or performance of a

State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of North Carolina employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Vendor's business integrity and such vendor shall be prohibited from entering into a contract for goods or services with any department, institution or agency of the State.

- 5) Confidentiality of Data and Information – All financial, statistical, personnel, technical and other data and information relating to the State's operation which are designated confidential by the State and made available to the Vendor, or which become available to the Vendor, shall be protected by the Vendor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the Vendor. If the methods and procedures employed by the Vendor for the protection of the Vendor's data and information are deemed by the State to be adequate for the protection of the State's confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this section. The Vendor shall not be required under the provisions of this section to keep confidential, (1) information generally available to the public, (2) information released by the State generally, or to the Vendor without restriction, (3) information independently developed or acquired by the Vendor or its personnel without reliance in any way on otherwise protected information of the State. Notwithstanding the foregoing restrictions, the Vendor and its personnel may use and disclose any information which it is otherwise required by law to disclose, but in each case only after the State has been so notified, and has had the opportunity, if possible, to obtain reasonable protection for such information in connection with such disclosure.

## **Section VI. Proposal Content and Organization**

- 1) This section should contain all relevant and material information relating to the Vendor's organization, personnel, and experience that would substantiate its qualifications and capabilities to perform the services and/or provide the goods described in this RFQV. If any relevant and material information is not provided, the proposal may be rejected from consideration and evaluation. Proposals will be considered and evaluated based upon the Vendor's full completion and response to the following, and any additional requirements herein, or stated in a separate Appendix.
- 2) Proposal Content. Demonstrate compliance with all requirements and terms of performance.
  - a) Detailed description of Vendor's firm should include all of the following:
    - i) Full name, address, and telephone number of the organization;
    - ii) Date established;
    - iii) Background of firm;
    - iv) Ownership (public company, partnership, subsidiary, etc.);
    - v) If incorporated, state of incorporation must be included.
    - vi) The number of full-time employees on January 1st for the last three years or for the duration that the Vendor's firm has been in business, whichever is less.
- 3) Proposal Format and Organization:.
  - a) Executed Request for Qualified Vendor proposal
  - b) Proposal Questionnaire
    - i) Bidders must submit responses to each question contained in the Proposal Questionnaire in Section VIII, Appendix C along with the supporting information forms for each question and the associated engagement references.
    - ii) For each question in the Proposal Questionnaire, complete the "supporting information" document template indicating the question number for each of the projects submitted for verification and

providing all of the other required information. For question # 1, include up to five (5) project references as necessary to indicate the three (3) years (or more) of required experience. For question # 2, include only one (1) project reference. For the remaining questions # 3 through # 6, include three (3) projects and their associated project summaries in the Response to each question.

- iii) For the paper submission, all responses must be placed in a binder, page numbered, and each page should contain the Bidder's name. Each section of the Proposal must be clearly identified by title. For the CD submission, each section of the Proposal must be clearly identified by title.
- iv) The Proposal Questionnaire Form is located in Section VIII, Appendix C. Bidders must submit their responses in this format. (see Section VIII, Appendix B for guidelines)

c) Financial Statements (see Section III, Item 3)

d) Conflict of Interest:

- i. Provide a statement that no assistance in preparing the response was received from any current or former employee of the State of North Carolina whose duties relate(d) to this RFQV, unless such assistance was provided by the state employee in his or her official public capacity and that neither such employee nor any member of his or her immediate family has any financial interest in the outcome of this RFQV;
  - ii. State if the Vendor or any employee of the Vendor is related by blood or marriage to an Agency employee or resides with an Agency employee. If there are such relationships, list the names and relationships of said parties. Include the position and responsibilities within the Vendor's organization of such Vendor employees; and
  - iii. State the employing State Agency, individual's title at that State Agency, and termination date.
- 4) Any proposal that does not adhere to these requirements may be deemed non-responsive and rejected on that basis.

## **Section VII. North Carolina Information Technology Procurement Office General Terms and Conditions for Goods and Related Services**

**Definitions:** As used herein;

State shall mean the State of North Carolina, the Office of Information Technology Services as an Agency or in its capacity as the Award Authority.

Purchasing State Agency or Agency shall mean the Agency purchasing the goods or services.

**1) Travel Expenses:** Vendor may not be reimbursed for travel expenses arising in connection with this RFQV.

**2) Prohibition Against Contingent Fees and Gratuities:** Vendor warrants that it has not paid, and agrees not to pay, any bonus, commission, fee, or gratuity to any employee or official of the State for the purpose of obtaining any contract or award issued by the State. Vendor further warrants that no commission or other payment has been or will be received from or paid to any third party contingent on the award of any contract by the State nor for the opportunity to qualify and bid for any contract, except as shall have been expressly communicated to the State Purchasing Agent in writing prior to acceptance of the Contract or award in question. Vendor and their authorized signatory further warrant that no officer or employee of the State has any direct or indirect financial or personal beneficial interest, in the subject matter of this RFQV; obligation or contract for future award of compensation as an inducement or consideration. Subsequent discovery by the State of non-compliance with these provisions shall constitute sufficient cause for immediate termination of all outstanding contracts. Violations of this provision may result in debarment of the Vendor(s) as permitted by 9 NCAC 06B.1102 (f), 06B.1030, or other provision of law.

**3) Availability of Funds:** Any and all funds available to ITS for this RFQV and the INSA Project are expressly contingent upon and subject to the appropriation, allocation and availability of funds to the Agency for such purposes.



**4) Equal Employment Opportunity:** Vendor shall comply with all Federal and State requirements concerning fair employment and employment of the disabled, and concerning the treatment of all employees without regard to discrimination by reason of race, color, religion, sex, national origin or physical disability.

**5) Advertising/Press Release:** The Vendor absolutely shall not publicly disseminate any information concerning the Contract without prior written approval from the State or its Agent. For the purpose of this provision of the Contract, the Agent is the Purchasing Agency Contract Administrator unless otherwise named in the solicitation documents.

**6) Confidentiality:** In accordance with 9 NCAC 06B.0103, 06B.0207 and 06B.1001 and to promote maximum competition in the State competitive bidding process, the State may maintain the confidentiality of certain types of information described in N.C. Gen. Stat. §132-1 et seq. Such information may include trade secrets defined by N.C. Gen. Stat. §66-152 and other information exempted from the Public Records Act pursuant to N.C. Gen. Stat. §132-1.2. Vendor may designate appropriate portions of its response as confidential, consistent with and to the extent permitted under the Statutes and Rules set forth above, by marking the top and bottom of pages containing confidential information with a legend in boldface type **"CONFIDENTIAL"**. By so marking any page, the Vendor warrants that it has formed a good faith opinion, having received such necessary or proper review by counsel and other knowledgeable advisors that the portions marked confidential meet the requirements of the Rules and Statutes set forth above. ***However, under no circumstances shall price information be designated as confidential.*** The State may serve as custodian of Vendor's confidential information and not as an arbiter of claims against Vendor's assertion of confidentiality. If an action is brought pursuant to N.C. Gen. Stat. §132-9 to compel the State to disclose information marked confidential, the Vendor agrees that it will intervene in the action through its counsel and participate in defending the State, including any public official(s) or public employee(s). The Vendor agrees that it shall hold the State and any official(s) and individual(s) harmless from any and all damages, costs, and attorneys' fees awarded against the State in the action. The State agrees to promptly notify the Vendor in writing of any action seeking to compel the disclosure of Vendor's confidential information. The State shall have the right, at its option and expense, to participate in the defense of the action through its counsel. The State shall have no liability to Vendor with respect to the disclosure of Vendor's confidential information ordered by a court of competent jurisdiction pursuant to N.C. Gen. Stat. §132-9 or other applicable law.

a) Care of Information: Vendor agrees to use commercial best efforts to safeguard and protect any data, documents, files, and other materials received from the State or the Agency during performance of any contractual obligation from loss, destruction or erasure.

b) Vendor warrants that all its employees and any approved third party Vendors or subcontractors are subject to a non-disclosure and confidentiality agreement enforceable in North Carolina. Vendor will, upon request of the State, verify and produce true copies of any such agreements. Production of such agreements by Vendor may be made subject to applicable confidentiality, non-disclosure or privacy laws; provided that Vendor produces satisfactory evidence supporting exclusion of such agreements from disclosure under the N.C. Public Records laws in NCGS §132-1 et. seq. The State may, in its sole discretion, provide a non-disclosure and confidentiality agreement satisfactory to the State for Vendor's execution. The State may exercise its rights under this subparagraph as necessary or proper, in its discretion, to comply with applicable security regulations or statutes including, but not limited to 26 USC 6103 and IRS Publication 1075, (Tax Information Security Guidelines for Federal, State, and Local Agencies), HIPAA, 42 USC 1320(d) (Health Insurance Portability and Accountability Act), any implementing regulations in the Code of Federal Regulations, and any future regulations imposed upon the Office of Information Technology Services or the N.C. Department of Revenue pursuant to future statutory or regulatory requirements.

c) Nondisclosure: Vendor agrees and specifically warrants that it, its officers, directors, principals and employees, and any subcontractors, shall hold all information received during performance of this Contract in the strictest confidence and shall not disclose the same to any third party without the express written approval of the State.

**7) Patent, Copyright, and Trade Secret Protection:**

a) Vendor has created, acquired or otherwise has rights in, and may, in connection with the performance of services for the State, employ, provide, create, acquire or otherwise obtain rights in various concepts, ideas, methods, methodologies, procedures, processes, know-how, techniques, models, templates and general purpose consulting and software tools, utilities and routines (collectively, the "Vendor Technology").



To the extent that any Vendor Technology is contained in any of the Deliverables including any derivative works, the Vendor hereby grants the State a royalty-free, fully paid, worldwide, perpetual, non-exclusive license to use such Vendor Technology in connection with the Deliverables for the State's purposes.

b) Vendor shall not acquire any right, title and interest in and to the copyrights for goods, any and all software, technical information, specifications, drawings, records, documentation, data or derivative works thereof, or other work products provided by the State to Vendor. The State hereby grants Vendor a royalty-free, fully paid, worldwide, perpetual, non-exclusive license for Vendor's internal use to non-confidential Deliverables first originated and prepared by the Vendor for delivery to the State.

c) The Vendor, at its own expense, shall defend any action brought against the State to the extent that such action is based upon a claim that the services or Deliverables supplied by the Vendor, or the operation of such Deliverables pursuant to a current version of Vendor-supplied software, infringes a patent, or copyright or violates a trade secret in the United States. The Vendor shall pay those costs and damages finally awarded against the State in any such action. Such defense and payment shall be conditioned on the following:

i) That the Vendor shall be notified within a reasonable time in writing by the State of any such claim; and,

ii) That the Vendor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise provided, however, that the State shall have the option to participate in such action at its own expense.

d) Should any services or software supplied by Vendor, or the operation thereof become, or in the Vendor's opinion are likely to become, the subject of a claim of infringement of a patent, copyright, or a trade secret in the United States, the State shall permit the Vendor, at its option and expense, either to procure for the State the right to continue using the goods/hardware or software, or to replace or modify the same to become noninfringing and continue to meet procurement specifications in all material respects. If neither of these options can reasonably be taken, or if the use of such goods/hardware or software by the State shall be prevented by injunction, the Vendor agrees to take back such goods/hardware or software, and refund any sums the State has paid Vendor less any reasonable amount for use or damage and make every reasonable effort to assist the State in procuring substitute Deliverables. If, in the sole opinion of the State, the return of such infringing Deliverables makes the retention of other items of Deliverables acquired from the Vendor under this Contract impractical, the State shall then have the option of terminating the Contract, or applicable portions thereof, without penalty or termination charge. The Vendor agrees to take back such Deliverables and refund any sums the State has paid Vendor less any reasonable amount for use or damage.

e) Vendor will not be required to defend or indemnify the State if any claim by a third party against the State for infringement or misappropriation (i) results from the State's alteration of any Vendor-branded product or Deliverable, or (ii) results from the continued use of the good(s) or Services and Deliverables after receiving notice they infringe a trade secret of a third party.

f) Nothing stated herein, however, shall affect Vendor's ownership in or rights to its preexisting intellectual property and proprietary rights.

**8) Access to Persons and Records:** Pursuant to N.C. General Statute 147-64.7, the Agency, the State Auditor, appropriate federal officials, and their respective authorized employees or agents are authorized to examine all books, records, and accounts of the Vendor insofar as they relate to transactions with any department, board, officer, commission, institution, or other Agency of the State of North Carolina. Additional audit or reporting requirements may be required by any Agency, if in the Agency's opinion, such requirement is imposed by federal or state law or regulation.

**9) Assignment:** Vendor may not assign its rights or its obligations hereunder except as permitted by 09 NCAC 06B.1003 and this Paragraph. Vendor shall provide reasonable notice of not less than thirty (30) days prior to any consolidation, acquisition, or merger. Any assignee shall affirm this Contract attorning to the terms and conditions agreed, and that Vendor shall affirm that the assignee is fully capable of performing all obligations of Vendor. An assignment may be made, if at all, in writing by the Vendor, Assignee and the State setting forth the foregoing obligation of Vendor and Assignee.

**10) Insurance Coverage:** Vendor at its sole cost and expense shall provide commercial insurance of such type and with such terms and limits as may be reasonably associated with the Contract. As a minimum, the Vendor shall provide and maintain the following coverage and limits:

a) **Worker's Compensation** - The Vendor shall provide and maintain Worker's Compensation Insurance, as required by the laws of North Carolina, as well as employer's liability coverage with minimum limits of \$100,000.00, covering all of Vendor's employees who are engaged in any work under the Contract. If any work is sublet, the Vendor shall require the subcontractor to provide the same coverage for any of his employees engaged in any work under the Contract ; and

b) **Commercial General Liability** - General Liability Coverage on a Comprehensive Broad Form on an occurrence basis in the minimum amount of \$2,000,000.00 Combined Single Limit (Defense cost shall be in excess of the limit of liability); and

c) **Automobile** - Automobile Liability Insurance, to include liability coverage, covering all owned, hired and non-owned vehicles, used in connection with the Contract. The minimum combined single limit shall be \$500,000.00 bodily injury and property damage; \$500,000.00 uninsured/under insured motorist; and \$5,000.00 medical payment; and

d) Providing and maintaining adequate insurance coverage described herein is a material obligation of the Vendor. All such insurance shall meet all laws of the State of North Carolina. Such insurance coverage shall be obtained from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in North Carolina. The Vendor shall at all times comply with the terms of such insurance policies, and all requirements of the insurer under any such insurance policies, except as they may conflict with existing North Carolina laws.

**11) Termination:** The State may terminate this RFQV at any time with or without cause.

**12) Independent Contractors:** Vendor and its employees, officers and executives, and subcontractors, if any, shall be independent Vendors and not employees or agents of the State.

**13) Titles and Headings:** Titles and Headings in this Contract are used for convenience only and do not define, limit or proscribe the language of terms identified by such Titles and Headings.

**14) Governing Laws, Jurisdiction, and Venue:**

a) This RFQV is issued under and shall be governed and construed in accordance with the laws of the State of North Carolina. The place, situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in contract or in tort, relating to its validity, construction, interpretation and enforcement shall be determined. Vendor agrees and submits, solely for matters relating to this Contract, to the jurisdiction of the courts of the State of North Carolina, and stipulates that Wake County shall be the proper venue for all matters.

**15) Force Majeure:** Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations as a result of events beyond its reasonable control, including without limitation, fire, power failures, any act of war, hostile foreign action, nuclear explosion, riot, strikes or failures or refusals to perform under subcontracts, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

**16) Compliance with Laws:** The Vendor shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority. In providing Services and Deliverables, and without limiting or modifying in any respect the Vendor's obligations, Vendor shall comply, and shall cause each of its employees and subcontractors to comply at all times, with State policies that are of general application to State contractors or that Vendor has otherwise agreed to, comply with, including, without limitation, the Statewide Information Security Manual and ITS Security Standards and Policies.

**17) Severability:** In the event that a court of competent jurisdiction holds that a provision or requirement of this RFQV violates any applicable law, each such provision or requirement shall be enforced only to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of this Contract shall remain in full force and effect. All promises, requirement, terms, conditions, provisions, representations, guarantees and warranties contained herein shall survive the expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable federal or State statute, including statutes of repose or limitation.

**18) Federal Intellectual Property Bankruptcy Protection Act:** The Parties agree that the Agency shall be entitled to all rights and benefits of the Federal Intellectual Property Bankruptcy Protection Act, Public Law 100-506, codified at 11 U.S.C. 365(n), and any amendments thereto.

**19) Electronic Procurement (Applies to all contracts that include E-Procurement and are identified as such in the body of the solicitation document):** Purchasing shall be conducted through the Statewide E-Procurement Service. The State's third party agent shall serve as the Supplier Manager for this E-Procurement Service. The Vendor shall register for the Statewide E-Procurement Service within two (2) business days of notification of award in order to receive an electronic purchase order resulting from award of this contract.

a) Reserved.

b) Reserved.

c) The Supplier Manager will capture the order from the State approved user, including the shipping and payment information, and submit the order in accordance with the E-Procurement Service. Subsequently, the Supplier Manager will send those orders to the appropriate Vendor on State Contract. The State or State approved user, not the Supplier Manager, shall be responsible for the solicitation, bids received, evaluation of bids received, award of contract, and the payment for goods delivered.

d) Vendor agrees at all times to maintain the confidentiality of its user name and password for the Statewide E-Procurement Services. If a Vendor is a corporation, partnership or other legal entity, then the Vendor may authorize its employees to use its password. Vendor shall be responsible for all activity and all charges for such employees. Vendor agrees not to permit a third party to use the Statewide E-Procurement Services through its account. If there is a breach of security through the Vendor's account, Vendor shall immediately change its password and notify the Supplier Manager of the security breach by e-mail. Vendor shall cooperate with the state and the Supplier Manager to mitigate and correct any security breach.

## Section VIII. Appendices

### **Appendix A – Certification of Compliance With Executive Order # 24**

The undersigned certifies, to the best of his or her knowledge and belief, that:

By Executive Order 24, issued by Governor Perdue, and N.C.G.S. § 133-32, it is unlawful for any vendor or contractor (i.e. architect, bidder, contractor, construction manager, design professional, engineer, landlord, offeror, seller, subcontractor, supplier, or vendor), to make gifts or to give favors to any State employee of the Governor's Cabinet Agencies (i.e., Administration, Commerce, Correction, Crime Control and Public Safety, Cultural Resources, Environment and Natural Resources, Health and Human Services, Juvenile Justice and Delinquency Prevention, Revenue, Transportation, and the Office of the Governor). This prohibition covers those vendors who:

- (1) have a contract with a governmental agency; or
- (2) have performed under such a contract within the past year; or
- (3) anticipate bidding on such a contract in the future.

For additional information regarding the specific requirements and exemptions, vendors are encouraged to review Executive Order 24 and G.S. § 133-32.

The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-contractors shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction.

N.C.G.S. § 133-32 and Executive Order 24 prohibit the offer to, or acceptance by, any State Employee of any gift from anyone with a contract with the State, or from any person seeking to do business with the State. By execution of this Attachment and submitting a response to the accompanying solicitation, you attest, for your entire organization and its employees or agents, that you are not aware that any such gift has been offered, accepted, or promised by any employees of your organization.

TYPE OR PRINT NAME & TITLE OF PERSON SIGNING:	E-MAIL:
<b>AUTHORIZED SIGNATURE:</b>	DATE:

## Appendix B – Prospective Bidder Response Guidelines

The questions in the table provided below are to be addressed in the Proposal Questionnaire in Appendix C. The following terms appear in the questions and have specific meanings. Bidders must carefully review these definitions found in Section II.B General Conditions for Proposals prior to responding to this RFQV as they will be used in the verification of Bidder's statements and information. Bidder's are also encouraged to review and consider the current portfolio of IT Infrastructure Services being offered by ITS on the ITS Service Catalog web site at <http://www.its.state.nc.us/ServiceCatalog/Index.asp>.

- IT Infrastructure Outsourcing/IT Infrastructure Services
- Hosting/Data Center Services
- Network/Telecommunications Services

Questions	ITS Expectations
1. How many years of experience does the Bidder have, acting as a prime contractor, conducting baseline development and sourcing assessment analysis for IT Infrastructure Outsourcing projects as required in Section III <u>Specifications</u> 1, that include both hosting/data center services and network/telecommunications services?	ITS is seeking a minimum of three (3) years of experience via project references for no more than five (5) engagements. The listed engagements must include some combination of hosting/data center services and network/telecommunications services. These same references can be used and elaborated upon to respond to any of the applicable questions noted below. If the Vendor provides more than five (5) engagements, then the State will select only five (5) engagements to consider for evaluation. Bidders should also include in this question response a total count for the number of years of experience they have doing this type of work as a prime contractor across ALL the engagements that they have performed.
2. Has Bidder performed any type of sourcing assessment analysis or IT Infrastructure Outsourcing project that failed to meet the expectations and/or stated deliverables associated with the engagement and if so, what were the issues associated with this failure, how were they corrected or rectified, and what would the Bidder do different the next time if confronted with the same issues or challenges?	ITS is seeking a reference and summary for one (1) failed or challenged project.
3. How many engagements has the Bidder performed, as a prime contractor, in the development of sourcing procurement documents and evaluations for large scale enterprise IT Infrastructure Outsourcing? Of these, how many contracts have been awarded using the procurement documents developed?	ITS is seeking references and summaries for three (3) engagements for each question # 3 through # 6. The three (3) engagements must include some combination of hosting/data center services and network/telecommunications services – all three (3) projects cannot be all hosting/data center or all network/telecommunications projects. If the Vendor provides more than three (3) engagements, then the State will select only three (3) engagements to
4. How many engagements has the Bidder performed, as a prime contractor, where Bidder conducted baseline/benchmark information gathering and sourcing assessment analysis prior to developing procurement for IT Infrastructure Outsourcing?	

Questions	ITS Expectations
5. How many engagements has Bidder performed, as a prime contractor, developing sourcing management organizations (SMO) and governance models for large scale enterprise IT Infrastructure Outsourcing organizations?	consider for evaluation. Bidders should also include in each question response a total count for ALL the engagements that the Bidder has performed as a prime contractor for the services referenced within the context of each respective question.
6. How many engagements has Bidder performed, as a prime contractor, where the customer contemplating IT Infrastructure sourcing was an IT service provider to customer entities within a fee-for-service business model?	

### Notes

1. For all projects used to answer the questions in this appendix, the Bidder (or its Parent or an Affiliate) must have entered into a contract as the prime contractor with an unrelated third party (i.e. client).
2. Bidder must answer all (6) questions. If the Bidder does not have a project reference for any given question or does not have enough references to meet the minimum expectations then the Bidder should provide what references they do have (if any) in response to any given question.
3. ITS reserves the right to verify the validity of Bidder's responses and supporting documentation.

## Appendix C – Proposal Questionnaire Form

Question	Hosting/Data Center Services	Network/Telecommunications Services
1. How many years of experience does the Bidder have, acting as a prime contractor, conducting baseline development and sourcing assessment analysis for IT Infrastructure Outsourcing projects as required in Section III <u>Specifications</u> 1, that include both hosting/data center services and network/telecommunications services?		
2. Has Bidder performed any type of sourcing assessment analysis or IT Infrastructure Outsourcing project that failed to meet the expectations and/or stated deliverables associated with the engagement and if so, what were the issues associated with this failure, how were they corrected or rectified, and what would the Bidder do different the next time if confronted with the same issues or challenges?		
3. How many engagements has the Bidder performed, as a prime contractor, in the development of sourcing procurement documents and evaluations for large scale enterprise IT Infrastructure Outsourcing? Of these, how many contracts have been awarded using the procurement documents developed?		
4. How many engagements has the Bidder performed, as a prime contractor, where Bidder conducted baseline/benchmark information gathering and sourcing assessment analysis prior to developing procurement for IT Infrastructure Outsourcing?		
5. How many engagements has Bidder performed, as a prime contractor, developing sourcing management organizations (SMO) and governance models for large scale enterprise IT Infrastructure Outsourcing organizations?		
6. How many engagements has Bidder performed, as a prime contractor, where the customer contemplating IT Infrastructure sourcing was an IT service provider to customer entities within a fee-for-service business model?		

Use this format to provide supporting details of the projects referenced in the questions above.

Supporting Information	
QUESTION # _____	
PROJECT # _____	
Please indicate the type of project by checking the appropriate box:	
<input type="checkbox"/> Hosting/Data Center <input type="checkbox"/> Network/Telecommunications <input type="checkbox"/> Both	
Required Information	
Client Name and Address	
Client Contact Information: <ul style="list-style-type: none"> <li>▪ Telephone number</li> <li>▪ E-mail (if available)</li> </ul>	
Project Size: <ul style="list-style-type: none"> <li>▪ Spend dollars per year</li> <li>▪ Term of contract</li> </ul>	
Narrative Description (explain below) including: <ul style="list-style-type: none"> <li>▪ Project dates</li> <li>▪ Major project activities or milestones</li> <li>▪ Project deliverables</li> <li>▪ Were any contract modifications and/or scope changes required over the lifespan of the project and if so, what were the primary reasons for those contract modifications and/or scope changes?</li> <li>▪ Staffing Model, number of staff by skills category, and total project staffing required to conduct project activities</li> <li>▪ Average industry experience of staff by skills category and in total working on the project</li> <li>▪ Similarity or relevance with respect to ITS' current portfolio of IT Infrastructure Services as described on the ITS Service Catalog web site at <a href="http://www.its.state.nc.us/ServiceCatalog/Index.asp">http://www.its.state.nc.us/ServiceCatalog/Index.asp</a>.</li> </ul>	
Details of the Project:	





## BID ADDENDUM

### FAILURE TO RETURN THIS BID ADDENDUM IN ACCORDANCE WITH INSTRUCTIONS MAY SUBJECT YOUR BID TO REJECTION

**Bid Number:** ITS-005137

**Bid Opening Date/Time:** August 9, 2010 at 2:00p EST

**Description:** Request to Qualify Vendors for Assessment Services

**Addendum Number:** 1

**Addendum Date:** July 29, 2010

#### INSTRUCTIONS:

1. Return one properly executed copy of this addendum with bid response or **prior** to the Bid Opening Date/Time listed above. The return of this Bid Addendum is not Mandatory.
2. In regards to all bid references to the Interactive Purchasing System (IPS) that allow the public to retrieve proposal award information electronically from our Internet web site at: <http://www.ips.state.nc.us/ips/pubmain.asp>. The Agency prefix-proposal number to use to search on the IPS for this bid should be **41-ITS005317** NOT ITS-005137.
3. Attached on Page 2 of this Addendum is the response to questions submitted regarding the above referenced Request for Proposal.

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4. Check **ONE** of the following options:

- ☐ Bid has **not** been mailed. **Any changes** resulting from this addendum are included in our bid.
- ☐ Bid has already been mailed. **No changes** resulted from this addendum.
- ☐ Bid has already been mailed. Changes resulting from this addendum are as follows:

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#### Execute Addendum:

**Bidder:** \_\_\_\_\_

**Authorized Signature:** \_\_\_\_\_

**Name and Title (Typed):** \_\_\_\_\_

**Date:** \_\_\_\_\_

## Questions and Answers for ITS-005137

Note: All Vendor Questions are posted verbatim as sent.

Item #	Citation	Vendor Question	The State's Response
1	Section I, Overview, page 5	The term "...sourcing management..." is generally used to refer to the client's management of an outsourcing relationship. Is it the State's intent to exclude the "...Vendor selected pursuant to the INSA Service RFP..." from providing sourcing management related services, such as assisting the State with their management of an outsourcing relationship, post outsourcing contract commencement?	Yes.
2	Section II, Evaluation, item b, page 10	Is it the intent of ITS to issue the INSA RFP to only three pre-qualified Vendors?	Yes.
3	Section V, item #1, page 13	Is the information requested under item #1, Vendor Utilization of Works Outside U.S., required for the RFQV response? If so, where is this information to be provided within the response contents (e.g., firm information, cover letter, separate document/appendix)?	Yes. This information should be provided in the response box in Section V, Item #1, d.
4	Appendix B, pages 21-22	Is ITS requesting just the completion of the response forms or would specific and relevant supplementary information be useful to the evaluation (i.e., if in the table we provide the headline number of engagements for a given scope would you like as an Appendix supporting information to show how this breaks down; also, for example, would you want a brief description of our related service offerings)?	Per Section I, Item 1.2.1, Each Proposal shall be prepared simply and economically, providing straightforward, concise delineation of Bidder's capabilities to satisfy the requirements of this RFQV. Fancy bindings, colored displays, and promotional materials are not required. Emphasis on each Proposal must be on completeness and clarity of content.
5	Appendix C, Questions 1-6	Is it permissible to use the same reference for multiple questions?	Yes.
6	Appendix C, Question 1	We interpret Question 1 of the RFQV as requesting years of experience conducting baseline development and sourcing assessment analysis for large scale enterprise IT Infrastructure Outsourcing projects that include both data center services and telecommunications services though not necessarily those that proceeded to contract (i.e. a similar scoped sourcing assessment/strategy that did not	Yes.

Item #	Citation	Vendor Question	The State's Response
6 (cont.)		result in a subsequent transaction would qualify as an example project). Is our interpretation correct? If not, please clarify.	
7	Appendix C, Question 2	Is ITS seeking data/counts in the Appendix C columns for Question 2, or should those cells be left blank and only a completed Supporting Information Form is all that is needed?	Insert total counts in the row/column cells for this question. Only one (1) of the failed or challenged project references needs to be summarized using the Supporting Information Form template.
8	Appendix C, Question 2	Is only one reference and summary required for either a Hosting/Data Center Services or Network/Telecommunications Services engagement?	Yes.
9	Appendix C, Question 5	The RFQV uses the phrase "sourcing management organizations (SMO) and governance models". Our understanding of this phrase is that it can mean the organization design, structure, processes and procedures required to effectively manage both internally provided and outsourced services. Please confirm whether or not ITS is referring to both in-sourced (retained) services and outsourced services or in fact whether ITS is referring only to outsourced services. If neither of our interpretations is correct then please provide a definition for "SMO" and "governance models" in the context of ITS.	Both in-sourced (retained) and outsourced services.
10	Appendix C, Question 6	In the context of this initiative we interpret this to mean a shared services organization (i.e., ITS) serving agencies or business units, rather than in addition serving external customers who are not part of the State of North Carolina. Is our interpretation correct?	The context for this question is any engagement(s) performed by the vendor for any IT service provider customer (in the public or private sector) where the IT service provider customer operated within a fee-for-service business model – which is the same business model that ITS operates under today.
11	Proposal Section VI – Proposal Content and Organization, Page 14 & Appendix C – Proposal Questionnaire Form, Page 23	In addition to the information requested in the Proposal Questionnaire (Appendix C), would State officials be interested in knowing to what firms the sourcing advisory firms awarded contracts on behalf of their state government clients?	Refer to Response # 4
12	Proposal Section VI – Proposal Content and Organization, Page 14 & Appendix	In addition to the information requested in the Proposal Questionnaire (Appendix C), would State officials be interested in	Refer to Response # 4

Item #	Citation	Vendor Question	The State's Response
12 (cont.)	C – Proposal Questionnaire Form, Page 23	knowing the current disposition of those contractual relationships (as in, are they still successful) that the bidding advisory firms reference?	
13	Proposal Section VI – Proposal Content and Organization, Page 14 & Appendix C – Proposal Questionnaire Form, Page 23	In addition to the information requested in the Proposal Questionnaire (Appendix C), would State officials be interested in having a list of all the advisory services firms' public sector clients to date?	Refer to Response # 4
14	Proposal Section II – Bidding Information, Page 10	What are the criteria against which advisory firms will be evaluated if ITS determines a competitive range? How does ITS limit the field of qualified advisory firms without knowing their pricing models?	Per Section II, C, Item 3, b, In the event that more than three (3) Bidders meet the pass/fail criteria, ITS reserves the right to determine a competitive range of the Bidders meeting the pass/fail criteria; and to then select the three (3) Bidders whose projects involved products and services that were the most similar (or larger) in terms of technical scope and complexity to ITS' existing products and services. The Evaluation Committee will utilize their collective business judgment to determine the relative importance of experience to one another within the same category. This RFQV is to pre-qualify vendors to bid on an upcoming RFP. Pricing models are not part of the RFQV.
15	Proposal Section II – Bidding Information, Page 10	What is the difference between the first and second evaluation criteria listed at the bottom of page 10 of the RFQV? What will ITS base the advisory firms' "performance capabilities" on verses "past performance" when only past performance is being requested and what makes the former more important than the latter?	Item (i) refers to the vendor stated capabilities they say they have for performing the work while item (ii) refers to the actual performance results that were realized by the end customer for the reference projects provided in support of this RFQV.
16	Section I, Overview	What are the business case priorities driving the initiation of INSA? E.g., cost reduction? Performance improvement?	Refer to Governor Perdue's memo dated July 21, 2010 regarding "Information Technology Initiatives" on the State CIO web site : <a href="http://scio.nc.gov/library/pdf/InformationTechnologyInitiatives.pdf">http://scio.nc.gov/library/pdf/InformationTechnologyInitiatives.pdf</a>
17	Section I, Overview	Of the various services listed in your service catalog, are there certain towers that are either priorities for consideration, or conversely unlikely to be outsourced?	The focus is on "IT Infrastructure Services" as defined in the RFQV document in Section II, B, Item 1, (L).
18	Section I, Overview	Will the selected vendor be expected to work directly with the agencies during the assessment, or through ITS?	All work activities associated with this program will be coordinated and facilitated by and through ITS in conjunction with the vendor and the participating State agencies.
19	Appendix C	Are there specific areas of IT infrastructure expertise that would be important to highlight in our qualifications? e.g., experience with	Refer to Response # 4

Item #	Citation	Vendor Question	The State's Response
19 (cont.)		certain platforms, etc.	
20	Appendix B	In responding to the Appendix B response guidelines and Appendix C questionnaire, can the same project qualification be used in responding to several questions if the scope of the project included pertinent experience related to several of the questions posed?	Refer to Response # 5
21	Section I, Overview	Will non-ITS agency representatives sit on the Evaluation Committee?	No.
22	Section I, Overview	Should we expect the results of this assessment to be shared by The State with any third parties in such a way as to be attributed to the vendor?	This question does not to relate to this RFQV.
23	Section VII	Since this is for an RFQV in anticipation of the upcoming RFPs for the actual INSA project, do the State's IT Terms and Conditions apply only to the RFP portion of the procurement process, since no contracts will be awarded from this prequalification process?	The upcoming RFP will contain the State's Terms and Conditions.
24	Section VII	In the State's Standard IT Terms and Conditions found on the referenced web site, is the indemnification exposure for responding firms to RFPs capped by the 2X cost Limit of Vendor Liability mentioned in Clauses 28 and 30?	The upcoming RFP will contain the State's Terms and Conditions.